

November 15, 2010

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HIGHER EDUCATION

COMMISSION ON HIGHER EDUCATION

EDUCATIONAL OPPORTUNITY FUND

**Undergraduate EOF Academic and Financial Eligibility; Operational Procedures
for Academic Year and Summer Article III Student Grants and Article IV Program
Support Services Funds**

Proposed Amendments: N.J.A.C. 9A:11-1.2, 2.2, 2.6, 2.9, 6.1, 6.3 and 6.11

Authorized By: Educational Opportunity Fund Board of Directors, Glenn B. Lang,
Educational Opportunity Fund Executive Director.

Authority: N.J.S.A. 18A:71-28 et seq. and 18A:71-33 through 36.

Calendar Reference: See Summary below for explanation of exception to calendar
requirement.

Proposal Number: PRN 2010-275.

Submit written comments by January 14, 2011 to:

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The agency proposal follows:

Summary

The Educational Opportunity Fund (EOF) program provides students from educationally disadvantaged backgrounds with financial aid and other support services while attending participating New Jersey colleges and universities. The program is a collaborative effort. Under the general supervision of the Commission on Higher Education, the EOF Board of Directors administers the program and the participating institutions directly serve students.

Working with participating institutions, the EOF Board maintains a Statewide system to identify and recruit potential college students from backgrounds of historical poverty; develops eligibility criteria for EOF financial assistance based on students' income and their potential for success in college; establishes procedures to determine the amount of the academic year grants according to the total financial need of each student; and advises on the development, organization, and coordination of a wide range of educational support and enrichment activities.

At N.J.A.C. 9A:11-1.2, the definitions of "Abbott school district" and "early childhood program aid" are proposed for deletion because the terms are no longer used by the New Jersey Department of Education in their descriptions of New Jersey school districts. The definition of "allocation" is proposed for amendment to delete the terms "summer Article III graduate and summer Article IV" as funding categories because the EOF appropriation does not support summer Article III grants for graduate students and all undergraduate summer program funding comes from the Article III portion of the

grant. Definitions of the terms “first-time part-time entering student,” “part-time student” and “readmitted student” are proposed for addition to the rule.

In keeping with the deletion of the definitions discussed above, proposed for deletion from the EOF student eligibility criteria at N.J.A.C. 9A:11-2.2(b)1 is the phrase “or an Abbott school district” and at N.J.A.C. 9A:11-2.2(b)2 is the phrase “and or is eligible to receive Early Childhood Program Aid (ECPA) from the New Jersey Department of Education.”

Language is proposed for addition at N.J.A.C. 9A:11-2.6(c) which will give the EOF and financial aid directors the authority to adjust student grants within the minimum and maximum award ranges.

Additional language is proposed at N.J.A.C. 9A:11-2.9(c)1 and 2 which describes the eligibility limits for part-time EOF student grants for renewal students, as well as first-time, part-time entering students with no prior college experience.

At N.J.A.C. 9A:11-6.1(a), language is proposed which will add Article III as the source of summer program funding and removes the reference to Article IV summer program funding, as Article IV funds are no longer used to support the EOF summer program. N.J.A.C. 9A:11-6.1(e) is proposed for amendment to delete the words “and Article IV” because Article IV is no longer a source of funding for the EOF summer program. At N.J.A.C. 9A: 11-6.3(a), the word “allocated” is proposed for deletion and replacement with the word “processed” to provide a better description of how campus programs use EOF academic year Article III student grant funds. Language is proposed

for addition to N.J.A.C. 9A:11-6.11(a) that indicates the deadline date for the submission of a request to transfer Article IV funds.

As the Commission has provided a 60-day comment period on this notice of proposal, this notice is exempted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

EOF students come from every county in New Jersey. They have generally lived and attended high school in neighborhoods characterized by depressed economic conditions, substandard educational services, and unequal opportunities. Approximately 60 percent of total EOF enrollment comes from the State's most distressed municipalities (communities that have been designated "labor surplus areas" by the New Jersey Department of Labor and Workforce Development and the U.S. Bureau of Labor Statistics). Fifty percent of the enrollment comes from school districts designated by the New Jersey Department of Education as district factor group "A" or "B" school districts. The vast majority of EOF students spend their elementary and secondary school years in public school districts that by all objective measures fail to provide the level of educational preparation required for success in the more demanding curricula and challenging majors of our colleges and universities. Without rules for the EOF program, the approximately 13,500 students enrolled in 52 EOF programs Statewide would lack the financial aid that helps offset non-tuition costs of attending New Jersey colleges and universities. The academic support services available to these students would also decrease significantly. The proposed amendments will provide participating institutions

with greater flexibility in the selection of eligible students to participate in the EOF program.

Economic Impact

Funds for EOF student grants are derived from State appropriations, while the State and participating institutions share the costs of EOF program support services. The total Fiscal Year 2011 State appropriation for EOF (for student grants, program support services and the King and Ferguson Scholarship) is \$38,909. Approximately \$12.8 million of the total is for academic year program support, and each participating institution must match its share of this amount. During the 2009-10 academic year, the EOF program had more than 13,587 students (unduplicated headcount) in 52 programs at 42 New Jersey colleges and universities.

The proposed amendments aim to ensure that the EOF program continues to serve individuals who have been burdened by long-term economic deprivation and a lack of access to high-quality educational preparation. Fifty percent of EOF enrollment comes from school districts characterized by both low student achievement and concentrated poverty (A and B school districts). The median annual family income of EOF students for a family of four in fall 2008 was approximately \$28,000 compared with a 2007-2008 academic year state median family income of \$83,746. Almost all EOF students are first-generation college students and 40 percent come from single-female-headed households.

Since State appropriations provide funds for EOF student grants, program enrollment is limited by the size of the annual appropriation; 13,587 students participated

during 2009-2010. The amendments proposed have no direct impact on the total number of students awarded grants or the total cost of the program.

Federal Standards Statement

The proposed amendments to the rules are not subject to a Federal standards analysis under Executive Order No. 27 (1994) and N.J.S.A. 52:4B-22 et seq. because EOF was established by New Jersey legislation, is wholly supported by State appropriations, and is not subject to any Federal requirement or standards.

Jobs Impact

The proposed amendments will not result in the generation or loss of any jobs.

Agriculture Industry Impact

The proposed amendments have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed amendments to the rules do not impose requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments to the rules pertain strictly to public and publicly funded independent colleges and universities in New Jersey, none of which qualify as a small business.

Smart Growth Impact

The proposed amendments to the rules will have no impact on the achievement of smart growth and the implementation of the State Development and Redevelopment Plan.

Housing Affordability Impact Statement

The proposed amendments do not require a housing affordability analysis because these rules govern the Educational Opportunity Fund (EOF) program, which provides students from educationally disadvantaged backgrounds with financial aid and other support services while attending participating New Jersey colleges and universities, and there is an extreme unlikelihood that the amendments will evoke a change in the average costs associated with housing.

Smart Growth Development Impact

The Commission believes there is an extreme unlikelihood that the proposed amendments to the rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan because the rules govern the Educational Opportunity Fund (EOF) program, which provides students from educationally disadvantaged backgrounds with financial aid and other support services while attending participating New Jersey colleges and universities.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

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9A:11-1.2 Definitions

The following words and terms, as used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

[“Abbott school district” means any New Jersey public school district characterized by both low student achievement and concentrated poverty that has been assigned the designation Abbott school district by the Commissioner of Education.]

...

“Allocation” means the distribution of the annual appropriation to support campus programs and student grants approved by the EOF Board of Directors in the following funding categories: Summer **Program** Article III undergraduate, [Summer Article III graduate, Summer Article IV,] Academic Year Article III undergraduate, Academic Year Article III graduate, Academic Year Article IV, any special project funding during the summer or academic year from either Article III or Article IV, Ferguson and King Scholarships.

...

[“Early childhood program aid” means any New Jersey school district that is eligible to receive early childhood program aid from the New Jersey Department of Education under the Comprehensive Educational Improvement and Financing Act of 1996 (P.L. 1996, c. 138).]

...

“First-time part-time entering student” means a student who has no prior college experience and is advised by institutional EOF staff to enroll for a minimum of six credits but no more than 11 credits.

...

“Part-time student” means a student who is enrolled for a minimum of six credits but no more than 11 credits.

...

“Readmitted student” means an EOF renewal student who did not receive an EOF Academic Year Article III grant the previous semester and is returning to the institutional EOF program where his or her last grant was received.

...

9A:11-2.2 Student eligibility

(a) (No change.)

(b) To be eligible for an undergraduate EOF grant, a student must demonstrate a history of poverty, which generally includes documented, long-term economic hardship of the family, such as little or no accumulation of assets and the inability to provide more than the basic needs of family members, as evidenced by at least one of the following:

1. Having attended or graduated from a DFG A or B school district [or an Abbott school district];

2. Having resided in a municipality that is a high-distress/labor surplus area, or is considered an eligible urban aid municipality[, and/or is eligible to receive Early Childhood Program Aid (ECPA) from the New Jersey Department of Education];

3.- 6. (No change.)

(c) – (h) (No change.)

9A:11-2.6 Grant amounts

(a) - (b) (No change.)

(c) The institution’s **EOF and financial aid directors** shall have the authority to adjust student grants within the minimum and maximum award ranges. An EOF undergraduate grant

awardee shall receive not less than the minimum nor more than the maximum semester award, except that under no circumstances shall the grant when combined with other aid exceed the cost of attendance as determined by the institution.

(d) (No change.)

9A:11-2.9 Part-time students

(a) - (b) (No change.)

(c) Eligible students shall be advised by institutional EOF staff to pursue part-time enrollment and shall enroll for at least six credits, matriculate in a certificate or degree program, and maintain minimum standards of academic progress as determined by the institution in the context of the provisions of N.J.A.C. 9A:11-2.13. **Eligibility for part-time grants shall be limited to:**

1. Renewal students with at least one full-time semester of EOF Academic Year Article III grant funding; or

2. First-time, part-time entering students with no prior college experience.

(d) – (e) (No change.)

9A:11-6.1 Renewal application process for Article III student grants and Article IV program support funds

(a) The EOF Executive Director shall annually inform all participating colleges and universities about the availability of EOF Article III **summer program funding**, undergraduate and graduate student grants, and Article IV program support grants for the academic year [and the summer program], as well as all policies and procedures that will be used to distribute the anticipated appropriation based on the Governor's recommendation.

(b) - (d) (No change.)

(e) An institution shall have the authority to manage its EOF summer student enrollment within the approved Article III [and Article IV] summer program allocation and to manage its

academic year undergraduate and graduate student enrollment within the approved Article III and Article IV academic year allocation.

(f) - (h) (No change.)

9A:11-6.3 Use of Article III grant funds

(a) EOF Article III academic year funds are [allocated] **processed** as semester grants per student and shall be applied toward student's educational costs only. Such costs shall include whatever constitutes the participating institution's educational budget and may include tuition, fees, room and board, books, required educational materials and supplies, transportation and child care.

(b) - (c) (No change.)

9A:11-6.11 Transfer of Article IV program support funds

(a) Institutions shall not transfer Article IV program support funds to establish new personnel or new other-than-personnel items that were not part of the original contract without prior written approval by the EOF Executive Director. **The submission of an Article IV transfer request shall occur prior to the deadline for the submission of the second interim expenditure report.**

(b) (No change.)